

# THE BONNEVILLE POWER ADMINISTRATION'S STANDARDS OF CONDUCT

## Table of Contents

<b>INTRODUCTION .....</b>	<b>1</b>
<b>BPA STANDARDS OF CONDUCT .....</b>	<b>2</b>
1. FUNCTIONAL SEPARATION .....	2
1.A. Transmission Business Line – Transmission Function .....	3
1.B. Power Business Line – Marketing Function.....	3
1.C. Corporate – Shared Employees.....	3
1.D. PBL Shared Employees .....	3
1.E. Senior Officers – Shared Employees.....	5
2. PHYSICAL SEPARATION .....	6
2.A. Access To Buildings .....	6
2.B. Access to Information.....	6
2.C. Special Telephone Systems and Transaction Recordings .....	9
3. INFORMATION DISCLOSURE PROHIBITIONS .....	9
3.A. Generally Permitted Information Access .....	9
3.B. Exceptions.....	10
3.C. Prohibited Disclosure .....	11
4. EMPLOYEE TRANSFERS .....	12
5. SEPARATE BOOKS AND ACCOUNTS .....	12
6. TRANSMISSION PRODUCTS AND SERVICES .....	12
6.A. Acquiring Transmission Service.....	12
<b>COMPLIANCE PROGRAM .....</b>	<b>14</b>
A. WRITTEN PROCEDURES .....	14
B. TRAINING .....	14
C. POSTING RETENTION .....	14
D. CHIEF COMPLIANCE OFFICER.....	14
E. SANCTIONS FOR VIOLATION OF STANDARDS OF CONDUCT .....	14
<b>APPENDIX A .....</b>	<b>15</b>
CHIEF COMPLIANCE OFFICER AND AGENCY SOC BUSINESS LINE LEADS .....	15

## INTRODUCTION

Congress created BPA as a federal power marketing agency in 1937 to market electric power from the Bonneville Dam and to construct facilities necessary to transmit such power. Today, BPA markets the power from 31 federal dams and several non-federally owned projects, including one nuclear plant. BPA also built, operates and maintains a high voltage transmission system of 284 substations and more than 15,000 circuit miles of transmission line. This grid provides about three-fourths of the Pacific Northwest region's transmission capacity. BPA owns approximately 80 percent of the northern portion (north of California and Nevada) of the Pacific Northwest-Pacific Southwest Intertie, which has a capacity of 7,900 megawatts. Together, the dams and the transmission system are known as the Federal Columbia River Power System (FCRPS).

BPA's service area includes Oregon, Washington, Idaho, western Montana and small parts of Wyoming, Nevada, Utah, California and eastern Montana. This area encompasses 300,000 square miles. BPA sells wholesale power to 156 Pacific Northwest public and private utilities, federal agencies, marketers, power brokers, and large industries. BPA also sells or exchanges power with utilities and marketers throughout the West, Mexico and in Canada. BPA's Northwest customers serve a population of over 10 million.

Congress has charged BPA with the responsibility of implementing numerous organic statutes, other federal laws, and treaties.<sup>1</sup> Some BPA decisions will necessarily have substantial impact on both the power and transmission business lines and are of significant importance to the region and the nation. Examples include implementation of the Columbia River Treaty, obligations related to payment of Energy Northwest bonds, statutory requirements to serve preference customers, statutory requirements to establish rates to recover "total system costs," and fish and wildlife obligations under the Northwest Power Act and the Endangered Species Act.

BPA has a single Administrator with decision making authority and responsibility over both the sale of power and transmission. The BPA Administrator, as head of a federal agency, is accountable to the Executive Branch and to Congress. This accountability dictates that the Administrator must have a direct decision making role in some issues and be free to provide information to the Executive Branch and Congress consistent with his or her legal responsibilities. Consistent with having a single Administrator, BPA also has only one fund within the United States Treasury from which debts and expenses

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<sup>1</sup> BPA's legal responsibilities include: Bonneville Project Act, 16 U.S.C. §§ 832 - 832l; Pacific Northwest Consumer Power Preference Act, 16 U.S.C. §§ 837 -837h; Federal Columbia River Transmission Systems Act (Transmission System Act), 16 U.S.C. §§ 838 - 838k; and the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act), 16 U.S.C. §§ 839 - 839h; and the Columbia River Treaty.

are paid, irrespective of whether the costs are incurred to provide power, transmission, or other public benefits. This structure of a single Administrator and one fund cannot be altered other than by an act of Congress.

BPA's federal agency status raises several unique and important points with respect to BPA's implementation of the Standards of Conduct (SOC) established by the Federal Energy Regulatory Commission (FERC or Commission). BPA is not a public utility under section 201(e) of the Federal Power Act. Nevertheless, it has implemented an Open Access Transmission Tariff (OATT) and complies with the Standards of Conduct to the fullest extent possible under federal law.<sup>2</sup> The following procedures describe how BPA has separated, and how it applies Standards of Conduct.

## **BPA STANDARDS OF CONDUCT**

BPA has adopted the following procedures for implementing the Standards of Conduct. The Standards of Conduct apply to all BPA employees, contractors, consultants, and agents. Please refer to the Commission's Standards of Conduct regulations for defined terms used in these implementing procedures.

### **1. FUNCTIONAL SEPARATION**

Except in emergency circumstances affecting system reliability, BPA's Transmission Function employees function independently of employees engaged in energy Marketing.

In emergency circumstances affecting system reliability, BPA may deviate from the SOC to take whatever steps are necessary to maintain system reliability. BPA will report within 24 hours to the Department of Energy, FERC, and post on the Open-Access Same-time Information System (OASIS) information regarding any emergency that results in a deviation from the SOC, explaining the nature and duration of the emergency and how BPA deviated from the SOC.

BPA is separated into three major business units: Transmission Business Line (TBL), Power Business Line (PBL), and Corporate.

BPA posts on its OASIS the names and duty-station addresses of PBL and TBL employees; a complete list of the facilities shared by TBL and PBL, including the types of facilities shared and their locations; and a comprehensive organizational chart. Organizational charts are updated with all changes within seven business days of the change, along with the date on which the information was updated.

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<sup>2</sup> The Commission approved BPA's Open Access Transmission Tariff on October 21, 2003. BPA's OATT was effective October 1, 2003. See 105 FERC ¶ 61,077 (BPA did revise its OATT as required by the Commission within 30 days of the order).

### **1.A. Transmission Business Line – Transmission Function**

Under the FERC Standards of Conduct, BPA is the Transmission Provider, the owner of the facilities used for transmitting electric energy in interstate commerce. TBL operates the Federal Columbia River Transmission System (FCRTS) that transmits the electric energy in interstate commerce. Employees that engage in transmission system operations and reliability functions are located in the TBL.

### **1.B. Power Business Line – Marketing Function**

In general, PBL is BPA's power marketing function, its electric energy sales unit. PBL is also TBL's energy affiliate, it buys, sells, and trades electric energy in interstate transmission markets.

### **1.C. Corporate – Shared Employees**

BPA has several corporate functional organizations that provide support for both TBL and PBL including: Employee and Business Resources; Strategic Planning; General Counsel; Industry Restructuring; Finance; Information Technology; National, Regional, and Tribal Relations; Communications; Internal Audit; Capital and Risk Management; Environment, Fish, and Wildlife; and the Chief Compliance Officer.

Corporate employees are shared employees. A shared employee is a support employee whose function serves more than one business unit, but does not engage in either transmission or power marketing functions. Consequently, a shared employee is not a TBL or PBL decision-maker. Shared employees are subject to the no-conduit rule, they must not be used as a conduit to disclose to PBL employees transmission information they have obtained from the TBL. Shared employees, as part of their SOC training, certify that they understand and follow the SOC rules.

### **1.D. PBL Shared Employees**

In addition to the shared employees identified above, there are a few shared employees within the PBL. These employees include: the non-wires workgroup within Energy Efficiency (EE-PN); PBL Billing Employees (PSR); and the Secretary to the United States Entity (PGPL). As shared employees, these employees perform support functions and are not engaged in either transmission or power marketing functions.

#### **i. Energy Efficiency Employees (EE-PN)**

In maintaining the stability and reliability of the transmission system, BPA is required by statute to evaluate cost effective transmission line construction alternatives.<sup>3</sup> The non-wires staff of Energy Efficiency (EE-PN) assists TBL in

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<sup>3</sup> 16 U.S.C. § 838b.

evaluating transmission construction alternatives. EE-PN performs three distinct support functions for the TBL non-wires program. First, EE-PN provides the analytical skills and tools to conduct the cost-benefit analysis of alternatives to transmission projects and to measure the availability of non-wires resources for a particular project area. Second, it works with the TBL to design, implement and evaluate pilot programs<sup>4</sup> for non-wires resources in order to evaluate their effectiveness on solving the problems of reducing system peak. Third, it provides technical and contract management support in working with third party vendors and customer utilities in the practical matter of implementing contracts for both pilot programs and implementation of those non-wires measures deemed by the TBL to be reliable, cost-effective alternatives to transmission construction. The EE-PN workgroup performs no sales and marketing functions and is subject to the no-conduit rule; they must not act as a conduit to disclose to PBL employees transmission information they have obtained from the TBL.

ii. PBL Billing Personnel

Power Billing Employees (PSR) function is to invoice customers for power marketing transactions and they do not engage in day-to-day power marketing or transmission operations functions. Power Billing employees provide the back office accounting support for PBL transactions. They create, maintain, query and resolve all transactional accounting data in accordance with BPA's wholesale power rate schedule, power sales contracts, and other federal laws.

iii. Secretary for the US Entity

Under the Columbia River Treaty, Canada and the United States share equally the downstream power benefits created by operation of the three Treaty storage dams in Canada. Canada's half of the downstream benefits is known as the "Canadian Entitlement." The United States is obligated to return the Canadian Entitlement to Canada. This obligation requires both power and transmission actions. Thus, to effectively carry out this Treaty obligation, the power and transmission businesses have to coordinate its implementation, including discussion of Treaty-related transmission information and concerns, so that the United States can effectively carry out its treaty obligations. A PBL employee acts as the Secretary to the US Entity and is a PBL Generation Supply

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<sup>4</sup> Program/pilot design responsibility will vary depending upon the nature of the program and the capability of the potential implementing agents. For example, a program or program design that is inherently transmission in nature should be designed by TBL, e.g., installation of Flexible AC Transmission System technology. Conversely, a program that touches retail end-use customers would be designed by Energy Efficiency and reviewed by TBL. Energy Efficiency has the lead for creating the linkages between various programs necessary for successful implementation of a non-construction alternative. This applies to the design of pilot programs and full-scale initiatives. Where Energy Efficiency has the lead, TBL will support these design efforts by providing access to its utility customers, identifying TBL implementation opportunities and issues, and reviewing and commenting on program designs

non-supervisory employee who does not engage in wholesale merchant functions.

### **1.E. Senior Officers – Shared Employees**

TBL and PBL share senior officers who are not transmission or marketing function employees. Consistent with the SOC, TBL may share certain transmission information with its senior officers provided they do not participate in directing, organizing or executing transmission system operations or marketing functions. Similar to other shared employees, senior officers are subject to the no conduit rule and certify that they understand and follow the SOC rules.

BPA's senior officers are: the Administrator (Chief Executive Officer), the Deputy Administrator; and Chief Operating Officer (COO). Senior officers are shared employees within Corporate who have responsibility for and decision-making duties over all business lines. In the normal course of business, these officers set agency policy and strategic direction but will not direct, organize, or execute the day-to-day operations of either transmission system operations or marketing functions. The officers also do not have preferential access to BPA's information systems that contain transmission information. Consistent with their ultimate decision making responsibility, the officers will resolve inter-business line disputes.

For the TBL, the Administrator, Deputy Administrator and Chief Operating Officer will:

- Make decisions about major new facilities;
- Make major construction decisions;
- Set transmission rates based on the rate case record and established tariffs consistent with requirements of law;
- Make policies and rules of general application for BPA;
- Set performance goals and review performance; or
- Allocate budget authority, which includes Federal and non-Federal capital.

For the TBL, the Administrator, Deputy Administrator and Chief Operating Officer delegate to the TBL and ***will not***:

- Make decisions regarding day-to-day transmission system operations;
- Offer or respond to requests for BPA transmission service;
- Execute transmission agreements;
- Apply the rate schedules and tariffs; or
- Monitor transmission system status.

For the PBL, the Administrator, Deputy Administrator and Chief Operating Officer will:

- Make major resource acquisition decisions;
- Set power rates based on the rate case record and consistent with the requirements of law;

- Make policies and rules of general application for BPA;
- Set performance goals and review performance; or
- Allocate budget authority, which includes Federal and non-Federal capital.

For the PBL, the Administrator, Deputy Administrator and Chief Operating Officer delegate to the PBL and ***will not***:

- Engage in day-to-day marketing;
- Make short-term power purchases;
- Offer or respond to requests for BPA power service;
- Execute power agreements; or
- Apply rate schedules.

## **2. PHYSICAL SEPARATION**

### ***2.A. Access To Buildings***

Except in emergencies, PBL employees do not have access to the system control centers or similar facilities used for transmission system operation and reliability in a manner that discriminates against other transmission customers.

BPA employees are located in offices at headquarters in Portland, Oregon; two control centers in Washington; and field locations throughout the system service territory. BPA has physically separated the TBL and the PBL. All TBL employees are either located in Vancouver, Washington, or in the field locations throughout the region. PBL employees are either located in Portland, Oregon, or in the field locations throughout the region. Corporate employees are located in Portland, Vancouver, or throughout the region. At field locations, TBL employees have office spaces, phone lines, fax, copy machines, files, and information systems separate from the PBL employees. There are no PBL employees at either control center.

BPA takes security at its facilities very seriously and complies with Department of Energy security requirements. All individuals, including BPA employees, are stopped before entering and must show positive identification. BPA has separate badge identifications for its TBL and PBL employees so BPA's security officers may easily identify and distinguish between TBL and PBL employees. There are additional layers of security required to access control centers and trading floors that limit inappropriate access by employees and others. Only TBL employees have ready access to the transmission facilities. Thus, except to assure continuity of operations in case of a system emergency, PBL does not have any preferential access to any TBL facilities in a manner that is discriminatory to other transmission customers.

### ***2.B. Access to Information***

BPA's computer systems have developed over the past thirty-five years as a comprehensive integrated network of transmission and generation

management. As a result of FERC Orders 888 and 889, BPA embarked on separating these systems. Historically, BPA relied on two primary systems to carry out its control area responsibilities and manage generation. Supervisory Control and Data Acquisition (SCADA) System and the Real-Time Operational Dispatch and Scheduling (RODS), BPA's Energy Management System. These two systems are the source of data necessary for operating BPA's secondary computer systems. The secondary computer systems provide support for the engineering, scheduling, metering, billing, forecasting, rate development, and financial management of BPA. Both TBL and PBL rely on the SCADA, RODS, Plant Information (PI), and other SOC-compliant shared computer systems to communicate generation data on a secure common communication network.

i. Power Generation and Scheduling

SCADA provides control and data acquisition to and from substations and generating projects. RODS was designed to account for both energy and transmission transactions and is the primary tool for managing generation. PBL relies on the transfer of RODS data for Federal generation management and optimization.

PBL, in conjunction with the Army Corps of Engineers and the Bureau of Reclamation, has responsibility for managing and operating the FCRPS and requires hydro generation data from a variety of BPA computer systems. To avoid costly duplication of complex and expensive communications and information systems, PBL compensates the TBL for its use of the telecommunications systems that gather generation data. This data is electronically transferred into PBL's software programs and computer systems.

PBL and TBL use separate scheduling systems. TBL scheduling currently relies on RODS. PBL relies on the Scheduling Computer System (SCS) for its energy scheduling needs. SOC compliant information is transferred between these two computer systems providing BPA the ability to schedule and coordinate energy and transmission transactions. Inappropriate access to transmission, market or customer data from these shared RODS, SCADA and secondary computer systems is prevented by hardware and software security measures that limit electronic access to SOC restricted information. TBL employees ensure the control center network security.

ii. Billing Systems

TBL and PBL use separate billing systems. TBL uses Transmission Billing System (TBS) and is secured to only allow TBL employees access. The Power Billing System (PBS) is the computer system that enables PBL dilling personnel to invoice power marketing transactions. The PBS computes invoices by extracting data from Power Data Operational Center (PDOC) database that contains after-the-fact transmission schedules, revenue metering and power marketing transactional data. After-the-fact transmission schedules are electronically transferred from the transmission accounts database to PDOC. TBL also



electronically transfers revenue metering data to PDOC. Power marketing employees inappropriate access to the data in the PDOC database is secured by requiring positive user identification and authentication.

PBL stores its billing statements in an electronic system call "BillScan." TBL billing statements are stored in an electronic system called "SharePoint." BillScan provides PBL and TBL billing employees access PBL billing statements. SharePoint provides TBL and PBL billing employees access to TBL billing statements. Access to BillScan and SharePoint is password protected and requires positive user identification and authentication.

### iii. Energy Efficiency Alternatives to Non-Wires

The specific information EE-PN employees may access includes, but is not limited to:

- 1) Descriptions of proposed transmission projects including probable need dates, project timelines, tasks, and associated costs with changes to system performance (the net capacity expansion).
- 2) SCADA and other meter data used by the TBL in order to evaluate loads, load variance under differing weather conditions and to develop load duration curves;
- 3) Transmission loss factors and power flow factors to estimate the locational effects of having a non-wires measure at one part of the system and to determine how that measure impacts other parts of the system.
- 4) Load forecast information for transmission paths to include assumptions about components of the loads driving growth and transfer loads and other customer related information related to or concerning transfers or the reliability problem being addressed;
- 5) Non-public technical information including system reliability, proposed transmission construction measures, system impact and associated costs on planned or proposed transmission projects necessary to conduct cost-benefit or high-level screening of these projects for purposes of supporting the TBL non-wires solutions process;
- 6) Information about operational testing of pilot programs for the purpose of program evaluation. This information would include testing criteria and before the fact knowledge when operational tests occur; and
- 7) Information about generation dispatch for resources on the load side to constraint (the transmission project only) that may be evaluated for suitability in managing system peak.

When EE-PN employees need access to specific transmission customer information in order to evaluate the viability of non-wires alternatives, TBL will not release that information to EE-PN employees without first obtaining the voluntary consent of those customers. EE-PN employees do not have access to TBL computer systems, i.e. they do not have the user identifications and passwords that are necessary to access those systems. EE-PN employees

request this information from TBL transmission planning staff and are provided only the information necessary to perform the non-wires analysis. As shared employees, EE-PN are prohibited as acting as conduits for sharing transmission information with non-shared employees within the PBL. Network systems used by the Energy Efficiency group will be monitored to ensure that non-shared employees are prohibited from gaining access to EE-PN employees' network directories.

#### iv. Information Resources Network

The Information Resources Network (IR Network) is a corporate computer network that provides general-purpose access to many different data sets. This data includes customer information, revenue information, transmission usage information, transmission engineering data, transmission capacity planning studies, transmission contract images, energy contract images, generating project data and forecasting data. Corporate uses this data to prepare financial reports and perform budget analysis.

While Corporate, TBL, and PBL employees all have access to the IR Network, PBL employees access is limited to PBL's own accounting, contract images, energy forecasting, generating project data, and energy revenue data. In addition to the previously described computer systems, BPA employees share common computer services including LAN, e-mail, and an Intranet. BPA employees must not use these common systems as a means to circumvent the SOC. Access to prohibited transmission, customer, and market information is secure by password controls.

#### ***2.C. Special Telephone Systems and Transaction Recordings***

The use of common telephone systems is segregated by different line access for TBL and PBL real-time schedulers and pre-scheduling staffs. BPA records all real-time and pre-schedule transactions between PBL and TBL. PBL cannot access the TBL taped recordings of transactions.

### **3. INFORMATION DISCLOSURE PROHIBITIONS**

#### ***3.A. Generally Permitted Information Access***

Except for information provided under the exceptions below, PBL employees have access only to transmission information (including available transmission capability, price, curtailments, ancillary services and the like) that is available to TBL's other transmission customers on OASIS or through a means available to the general public without restriction. PBL has no preferential access to transmission information including through the OASIS or TBL's web site.

Shared Employees may have access to transmission information. Shared Employees are subject to the no-conduit rule – they must not be used as a conduit to disclose to PBL transmission information obtained from TBL.

### ***3.B. Exceptions***

#### **i. Emergency Conditions**

In emergency circumstances affecting system reliability, BPA employees may deviate from the SOC and take whatever steps are necessary to maintain system reliability. BPA must report to FERC and post on the OASIS, an emergency that resulted in any deviation from the rules within 24 hours of such deviation.

#### **ii Specific Transaction**

PBL employees may obtain from TBL information on a specific PBL transaction just as any other customer can obtain information about its own transactions. The service provided to PBL will be comparable to that provided to any other customer: comparable time, format, and level of detail. The TBL is not required to disclose PBL transaction information covered by this exemption to all transmission customers.

#### **iii. Voluntary Consent**

A TBL customer may voluntarily consent to TBL disclosing to PBL that customer's information as long as such consent is in writing and the TBL posts on the OASIS or TBL's website a notice of that consent along with a statement that TBL did not provide any preferences, either operational or rate-related, in exchange for that voluntary consent.

#### **iv. Generation Supply and Dispatch Information**

TBL shares generation and dispatch information with PBL necessary to manage generating resources, meet all federal interchange and system load obligations, optimize the federal hydro system and meet project and streamflow constraints, maintain the integrity and reliability of the federal hydro system, and provide generation, capacity, reserves and load following so TBL meets its control area obligations and maintains a stable transmission system. The data required from TBL for reliable operation of the FCRPS includes: Area Control Error (ACE) information for maintaining the stability of the BPA control area in relationship with other neighboring control areas; Automatic Generation Control (AGC) information for load following of both federal and non-federal load inside the BPA control area; ancillary service information for operating the federal power system with the proper amount and type of generation inputs used to maintain system stability; project and unit specific generation information to schedule, plan, manage, optimize, maintain and operate both federal resources and non-federal purchased generation resources; and PBL customer load and generation scheduling information for maintaining control area check-out each scheduling hour and the integrity of the interconnecting tie lines; and PBL customer actual measured load data to enable PBL to efficiently meet its contractual obligations to follow customer loads.

The sharing of this generation and dispatch information ensures the proper balance between operating a reliable and secure power and transmission system and maintaining an appropriate functional separation to facilitate a robust energy market and assure open access non-discriminatory transmission services. While TBL is providing PBL with necessary generation and dispatch data for maintaining the stability, integrity and security of the FCRPS, this access does not include specific information about individual third-party transmission transactions or potential transmission arrangements.

Inappropriate access to transmission, market or customer data from shared RODS and PI computer systems are prevented by hardware and software security measures that limit electronic access to SOC restricted information. TBL employees ensure the control center network security.

v. Crucial Operating Information

TBL may share crucial operating information with PBL to maintain reliability of the transmission system. BPA's understanding is that the Commission considers "crucial operating information" to be generation information. At this time, it is not clear what information other than generation information would qualify as "crucial operating information." BPA will continue to monitor Commission cases to further clarify this exemption.

***3.C. Prohibited Disclosure***

i. Prohibited Discriminatory Disclosure

TBL employees and shared employees shall not disclose any information concerning BPA's transmission system or the transmission system of another (including information received from customers or information about available transmission capability, price, curtailments, ancillary services, etc.) through (a) non-public communications conducted off the OASIS; (b) a means that is not available to the general public in comparable time and format; or (c) off-OASIS communications that occur at the same time the information is posted on the OASIS. TBL shall not disclose to PBL employees any transmission customer information or potential customer information developed in the course of responding to requests for transmission or ancillary services on the OASIS or TBL's web site, except to the extent disclosure of such information is required to be posted on the OASIS or TBL's Web site in response to a request for transmission or ancillary services.

ii. No-Conduit Rule

Under the no-conduit rule, employees may not be used as a conduit to disclose to PBL employees transmission information (including, but not limited to, information received from non-affiliates or information about available transmission capability, price, curtailments, ancillary services, balancing, maintenance activity, capacity expansion plans, or similar information) they have

obtained from the TBL. All employees, especially shared employees, are subject to the no-conduit rule.

#### **4. EMPLOYEE TRANSFERS**

BPA will not transfer employees between TBL and PBL as a means to circumvent the SOC. Notice of an employee transferring between the TBL and PBL will be posted on the OASIS prior to a transfer and remain posted for 90 days. The posting shall include: the name of the transferring employee; the respective titles of the employee before and after the transfer; and the effective date of the transfer.

Employees transferred from TBL to the PBL shall exercise care in their new positions to not disclose to other employees any transmission system information they obtained in their prior positions.

BPA may not establish a pattern of “cycling” employees from the TBL to the PBL and then back as that practice facilitates sharing of transmission information with the PBL. An employee who transfers to PBL may not use in their new job transmission information that is not publicly available. Of course, that transferred employee must not share that information with the PBL.

#### **5. SEPARATE BOOKS AND ACCOUNTS**

The PBL is a division that operates as a functional unit, and therefore BPA is not required to maintain separate books and records to comply with the SOC. However, in the interest of comparable treatment of all customers, corporate internally bills the business lines for services as if they were outside customers. BPA has been treating its internal billing in this manner since January 1997. BPA accounts for business line transactions based on actual data from the TBL and PBL computer systems.

Federal law requires BPA to keep and report financial records as one entity. In accordance with the Grand Coulee Dam - Third Powerplant Act, 16 U.S.C. § 835j, BPA prepares consolidated FCRPS Financial Statements. The Transmission System Act established the BPA fund in the United States Treasury and authorized BPA to make expenditures that it includes in its annual budget submitted to Congress. 16 U.S.C. § 838i. Consequently, BPA does not maintain actual separate depository funds for the individual business lines.

#### **6. TRANSMISSION PRODUCTS AND SERVICES**

##### ***6.A. Acquiring Transmission Service***

##### ***i. No Preference***

TBL may not give preference to PBL over any other transmission customer in matters relating to the sale or purchase of transmission service. Transmission

reservation information is available only on the OASIS or TBL's web site. PBL does not have preferential access to transmission information. PBL must reserve and schedule transmission service, including ancillary services, using the same procedures and systems used by all other transmission customers.

Once PBL has requested transmission or ancillary service on the OASIS, they may negotiate their specific transaction information (transmission or ancillary service terms and conditions), just as any other transmission customer.

ii. Implementing Open Access Transmission Tariff

TBL voluntarily implements and consistently applies, to the extent allowed by law, all non-discretionary OATT provisions. TBL processes all similar requests for transmission in the same manner and within the same period of time. TBL applies all discretionary OATT provisions fairly and impartially to treat all transmission customers, including PBL, in a nondiscriminatory manner.

Before exercising discretion under the tariff, TBL will raise the matter to the Business Practice Manager. The Business Practice Manager shall use TBL's Business Practice Procedures to assure fair and impartial implementation. The Business Practice Manager maintains a discretion log for Commission audit that details the circumstances and manner in which TBL exercises discretion in the implementation of its OATT. TBL posts the information contained in the discretion log on the OASIS. The discretion log contains the following:

- . A description of the situation including application by customer class;
- . A description of any extenuating circumstances;
- . Criteria and other factors used to decide to exercise discretion;
- . The conclusions reached;
- . Time references (i.e., duration, deadlines, dates, times, etc.);
- . The facilities involved; and
- . Limitations or caveats associated with the decision; and the actions taken.

iii. Discounts

TBL must post any offer of a discount for any transmission service on the OASIS or TBL's web site contemporaneously with the time that the offer is contractually binding. The posting must include: the customer name; whether the customer is PBL or whether PBL also is a party to the transaction; discount offered; the time period for which the discount would apply; the quantity of power to be moved; the delivery points under the transaction; and any conditions or requirements applicable to the discount. Such information must remain posted for 60 days from the date of posting.

## **COMPLIANCE PROGRAM**

### **A. WRITTEN PROCEDURES**

BPA posts on TBL's web site written procedures for implementing the SOC in such detail to enable customers and the Commission to determine BPA's compliance with 18 C.F.R. § 358. BPA has distributed its procedures for implementing the SOC to all employees.

### **B. TRAINING**

BPA conducts SOC training consistent with the Commission's requirements. Employees certify that they have read and understand the SOC.

### **C. POSTING RETENTION**

BPA retains all OASIS postings for three years, including the organizational charts and job descriptions.

### **D. CHIEF COMPLIANCE OFFICER**

BPA has appointed a Chief Compliance Officer (CCO). The CCO manages the BPA's SOC compliance program and is responsible for:

1. Ensuring that organizational structure and information technology structure meet SOC compliance;
2. Maintaining a SOC "hotline" for questions and violation reporting, resolving internal conflicts and answering employee questions, in consultation with legal counsel as necessary;
3. Addressing compliance issues and recommending to the Chief Operating Officer corrective action and/or employee discipline;
4. Conducting compliance audits;
5. Providing a point of contact for Commission audits and investigations;
6. Maintaining a compliance log reflecting internal compliance issues; and
7. Overseeing and recording continuing employee training and certification.

### **E. SANCTIONS FOR VIOLATION OF STANDARDS OF CONDUCT**

Violations of the SOC will be posted on the OASIS. If a BPA employee discloses information inconsistent with the SOC, TBL will immediately post the disclosed information on the OASIS.

## **APPENDIX A**

### **CHIEF COMPLIANCE OFFICER AND AGENCY SOC BUSINESS LINE LEADS**

Employees should contact their business line leads for day-to-day guidance on SOC concerns. Any employee may contact the Chief Compliance Officer (CCO) to report potential SOC violations and seek assistance in resolving inter-business line conflicts regarding the SOC.

#### **Chief Compliance Officer**

Keshmira R. McVey Esq., K-7  
905 NE 11<sup>th</sup> Ave, Portland OR 97208  
Email: [SOC@bpa.gov](mailto:SOC@bpa.gov)

### **SOC Hotline 503-230-4677**

#### **Business Line Contacts**

For Corporate:

Debbie Armstrong - KDM-7  
Sonya Baskerville - LT-7  
Dennis Bowling - KN-7  
Leanne Cesario - KDM-7  
Kevin Dorning - DI-3  
Doug Ellis - KN-7  
Melanie Spraggins - LC-7  
Robert Windus - CT-1

For the PBL:

Kathy Craig - PGS-5  
Tom DeKlyen - PL-6  
Kathe Donaldson - PB-6  
Anne Draper - PTT-5  
Susan Furst - PGS-5  
Karen Graves Pynch - PSR-6  
Ruth Hiraki - PB-6  
Rod Kelley - PSR-6  
Ottie Nabors - PNG-1  
Garry Thompson - PSE-Spokane  
Spencer Wedlund Jr. - PFF-6

For the TBL:

John Brunke - TNSD-PPO2-2  
Mary Ann Dalton - TMC-DITT2



Sean Egusa - T-DITT2  
Roy Ellis - TOT-DITT2  
Stephen Holcomb - TOD-DITT1  
Melanie Jackson – T-DITT2  
Jo Jeter - TB-DITT2  
Forrest Krigbaum - TOIS-CSB-2  
Mike Kreipe - TOP-PPO2-2  
Don Matheson - TMM-CSB-2  
James Mattix - TLO-WHSE-EAST  
Huy Ngo - TOH-DITT1  
Dennis Oster - TM-OPP-2  
Barbara Rehman -TMS-DITT1  
Janie Selby - TMC-DITT2  
Russell Walker - TMM-MODD  
Richard Winters - TF-DOB  
Marian Wolcott - TRF-TPP-4